

DELAWARE OTSEGO CORPORATION

1 Railroad Ave.
Cooperstown, New York 13326
Ph. 607 547-2555

1 5647-15647A
RECORDATION NO. FINE 1255

MAY 23 1988-12 25 PM

April 21, 1988

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
12th & Constitution Ave. NW
Washington, DC 20423

1 5646-15646A
RECORDATION NO. FINE 1255
MAY 23 1988-12 25 PM
Washington, D. C.

RE: Documents for Recordation

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

Enclosed are a certified copy and counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The documents are a Chattel Mortgage dated February 20, 1986, a primary document; a Chattel Mortgage dated November 20, 1986, a primary document; and a Release of Collateral and Amendment to Chattel Mortgage dated March 10, 1988, a secondary document to the two other documents. The names and addresses of the parties to the documents are as follows:

Mortgagor: The New York, Susquehanna and Western
Railway Corporation
1 Railroad Avenue
Cooperstown, New York 13326

Mortgagee: General Electric Credit Corporation
2264 Silas Deane Highway
Rocky Hill, Connecticut 06067

A description of the equipment covered by each document is as follows:

Chattel Mortgage dated February 20, 1986:

Four (4) used 1970 General Motors locomotives, model SD-45, S/N 36364, 36378, 36369, 36375. Includes all attachments and accessories now or hereafter attached thereto.

Chattel Mortgage dated November 20, 1986:

- Three (3) used 1971 General Motors locomotives, model SD-45, S/N 37117, 37122, 37133.

Interstate Commerce Commission
Washington, D.C. 20423

6/2/88

OFFICE OF THE SECRETARY

Lester A. Sittler
Delaware Otsego Corporation
1 Railroad Avenue
Cooperstown, New York 13326

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/23/88 at 12:35 *PM*, and assigned recordation number(s). 15646 & 15646-A, 15647 & 15647-A

Sincerely yours,

Nanta L. McEneaney

Secretary

Enclosure(s)



General
Electric
Credit

CHattel MORTGAGE

RECORDED BY 5646
MAY 23 1988 1: 35 PM

INTERSTATE COMMERCE COMMISSION

This CHATTEL MORTGAGE, made and entered into this 20 day of Feb., 1986, by and between (If Corporation, read "Incorporated")
The New York, Susquehanna and Western Railway Corporation a New York Corporation

whose chief place of business is (use appropriate address required by statute) 1 Railroad Avenue

City of Cooperstown, County of Otsego, State of New York, hereinafter referred to as Mortgagor,
and General Electric Credit Corporation, 2264 Silas Deane Highway
City of Rocky Hill, State of Connecticut, hereinafter referred to as Mortgagee:

KNOW ALL MEN BY THESE PRESENTS:

1. That to secure payment of the indebtedness in the sum of Ninety-Eight Thousand, Seventy-Five and 00/100
Dollars (\$ 98,075.00) which is hereby admitted and is

acknowledged and evidenced by a note of even date which Mortgagor agrees to pay in installments, as therein provided, and with interest, if any, as therein provided before maturity and to secure any and all obligations of the Mortgagor to the Mortgagee now existing and hereafter arising, this Mortgage is given. If any installment is not paid within ten (10) days after due date, Mortgagor agrees to pay a late charge of five cents (5¢) per dollar on, and in addition to the amount of said installment, but not exceeding the maximum lawful charges.

2. Mortgagor hereby acknowledges the receipt of value from the Mortgagee which constitutes the purchase price, and is being used by the Mortgagor to purchase the property described immediately below and/or in the Schedule referred to immediately below and attached hereto, and that the Mortgagor hereby grants, assigns, transfers, pledges, conveys and mortgages to Mortgagee the following property and all present and future attachments, accessions and additions thereto, substitutions, accessories and equipment therefor and replacements thereof, all of which are hereinafter called the "Chattels."

(Insert Serial and Model Numbers and Full Description)

(Insert Location by Number and Street, Town or City, County and State)

(Use
this
para. #2
for
purchase-
money
loans)

Four (4) used 1970 General Motors Locomotives,
model SD45, s/n 36364, 36378, 36369, 36375.
Includes all attachments and accessories now
or hereafter attached thereto.

1 Railroad Avenue
Cooperstown
Otsego
New York 13326-1194

3. Mortgagor hereby grants, assigns, transfers, pledges, conveys and mortgages to Mortgagee, its successors and assigns, the property described immediately below and/or in the Schedule referred to immediately below and attached hereto, and all present and future attachments, accessions and additions thereto, substitutions, accessories and equipment therefor and replacements thereof all of which are hereinafter called the "Chattels."

(Insert Serial and Model Numbers and Full Description)

(Insert Location by Number and Street, Town or City, County and State)

(Use
this
para. #3
for
capital
loans)

4. To have and to hold all the Chattels unto Mortgagee and Mortgagee's sole use forever. In case of failure of Mortgagor to comply with any provision of this mortgage, Mortgagee shall have the right, but shall not be obligated, to effect such compliance in whole or in part and all moneys spent by, and expenses of, Mortgagee shall be paid by Mortgagor to Mortgagee forthwith and shall bear interest at the rate of 1/30th of 1% per day but not to exceed the maximum permissible contract rate of interest if not so paid. The Mortgagee's effecting such compliance shall not be a waiver of the Mortgagor's default. All such moneys spent by, and expenses of, Mortgagee and any other obligation assumed or incurred by Mortgagee in effecting such compliance, shall constitute so much additional indebtedness and be secured by this mortgage. Chattels shall, until all of the indebtedness and obligations secured hereby be paid, be kept at the above locations, to be reported to Mortgagee monthly and not be removed from any of said locations without Mortgagee's prior written consent. Chattels shall not become part of any freehold and shall remain personal property at all times.

If this sentence is completed, the Chattels are affixed or to be affixed to _____

(Street and Number, City or Town and Village, County, State)

(If so affixed, the record owner of the real estate is _____, the record leasee of the real estate is _____)

New York only: The block number is _____, the lot number is _____, the section number is _____).

5. Mortgagor warrants that all Chattels are and will be in good condition and repair, that Mortgagor is the sole and lawful owner and is in possession of the Chattels described herein, and has the sole right and lawful authority to make this Mortgage; said Chattels and every part thereof are free and clear of all liens and encumbrances of every kind, nature and description. Except for this Mortgage, Mortgagor warrants that all the Chattels will remain free and clear of all liens and encumbrances of every kind, nature and description and that the Mortgagor shall remain the sole and lawful owner and in possession of the Chattels. Mortgagor will warrant and defend the Chattels against all claims by all persons. Mortgagor, at its own cost and expense, will keep the Chattels in a good state of repair, will not waste or destroy the same or any part thereof and will not be negligent in the care and use thereof.

6. If Mortgagor breaches any of the terms hereof or of said note or of any other obligations of Mortgagor to Mortgagee, or if Mortgagor becomes insolvent or ceases to do business as a going concern, or if the Chattels or any part of them be lost, secreted, abused, seized, illegally used, misused or destroyed, or if a default is declared on any job contracted by Mortgagor, or if a surety takes over performance of such a job or extends financial assistance to Mortgagor, or if Mortgagor or any partner of Mortgagor dies, or the controlling voting or non-voting interest in Mortgagor is changed by reason of sale, gift, bequeath or any other disposition without Mortgagee's prior written consent, or if a petition in bankruptcy or for arrangement or reorganization be filed by or against Mortgagor, or if Mortgagor makes an assignment for the benefit of creditors, or property of Mortgagor be attached or a receiver be appointed for Mortgagor or any of Mortgagor's property or whenever Mortgagee may deem the indebtedness or Chattels insecure, the indebtedness herein described and all

Mortgagor hereby, authorizes Mortgagee to enter with or without legal process any premises where the Chattels may be and take possession thereof. Mortgagee will upon default at request of Mortgagee assemble the Chattels and make the Chattels available to the Mortgagee, in whole or in part as requested, at such place or places designated by the Mortgagee as are reasonably convenient to both Mortgagor and Mortgagee. Mortgagee may foreclose this Mortgage in any manner provided by law. To the extent not forbidden by law, Mortgagee may sell the Chattels at private or public sale, in bulk or in parcels, with or without notice, without having the Chattels present at the place of sale, and Mortgagee may bid and purchase; or Mortgagee may lease or otherwise dispose of all or part of the Chattels. The proceeds of sale, lease or other disposition shall first be applied to all costs and charges and expenses incurred in taking, removing, holding, repairing and selling the Chattels and a reasonable sum as attorneys' fees; then, to pay all sums remaining unpaid hereon; then, to any other indebtedness and obligations of Mortgagor to Mortgagee whether or not liquidated, contingent, due, primary, direct, as indorser, indemnitor, guarantor or surety, or otherwise; then, to the expense of paying or settling liens and claims against the Chattels; then, any surplus shall belong to Mortgagor. Mortgagor agrees to pay any deficiency forthwith. Interest after acceleration shall be at the rate of 1/30th of 1% per day but not to exceed the maximum permissible contract rate of interest. All remedies herein are cumulative and any or all thereof may be exercised in lieu of or in addition to, any remedies at law, in equity, or under statute. Mortgagor waives demand of performance and notice of sale or other disposition. Mortgagor waives the statutory method of foreclosure. Mortgagor waives place of sale and manner and place of advertising in the event of foreclosure.

8. This Mortgage shall be binding, jointly and severally, upon all parties described as the "Mortgagor" and its respective heirs, representatives, successors and assigns, and shall inure to the benefit of "Mortgagee", its successors and assigns. If any provisions of this Mortgage are in conflict with any statute, rule or law applicable then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating any other provisions hereof. This Mortgage cannot be changed or terminated orally. Mortgagee is hereby granted power to sign the Mortgagor's name and on behalf of the Mortgagor to execute and file applications for title, transfers of title, financing statements, notices of lien and other documents pertaining to any or all of the Chattels. Mortgagor waives all homestead and other property exemption laws. In the event this mortgage and any note given in connection herewith are placed in the hands of an attorney for collection of money due or to become due or to obtain performance of any provision hereof, Mortgagor agrees to pay reasonable attorneys' fees. Reasonable attorneys' fees shall be the actual attorney's fees incurred by ~~fixed at the 20% of the balance due at the time of default, owing by Mortgagor to Mortgagee, plus costs, expenses, and disbursements, and shall be deemed to be the actual attorney's fees incurred by~~ Mortgagee. Mortgagor agrees to furnish in a form satisfactory to Mortgagee its annual financial statements and such interim statements as Mortgagee may require. Any and all Financial Statements submitted and to be submitted to Mortgagee have and will have been prepared on a basis of generally accepted accounting principles, and are and will be complete and correct and fairly present Mortgagor's financial condition as at the date thereof. Mortgagee may at any reasonable time examine the books and records of the Mortgagor and make copies thereof. Time is of the essence hereof. Mortgagor agrees to obtain and furnish to Mortgagee real estate, landlord and mortgagee waivers upon request of, and in form satisfactory to, Mortgagee. This Mortgage and any note given in connection herewith may be assigned without notice to the Mortgagor and when so assigned shall be free from any defense, counterclaim or cross-complaint against any assignee.

9. If Mortgagor is a corporation, this Mortgage is executed pursuant to authority of its Board of Directors and with the consent of its stockholders. Mortgagor shall, if certificate of title be required or permitted by law, obtain such certificate showing the lien hereof with respect to the Chattels and deliver same to Mortgagee. Mortgagor shall in any event do everything necessary or expedient to preserve or perfect the lien hereof. Mortgagor acknowledges receipt of a true copy, and waives acceptance hereof.

IN WITNESS WHEREOF, Mortgagor has executed and sealed this Chattel Mortgage on the day and year first above written.

Signed in the presence of:

Name of Mortgagor _____

Name of Corporation

The New York, Susquehanna and Western
Railway Corporation

By

~~Signature~~ Title Walter G. Rich, President

ATTEST:

Signature, Title Lester A. Sittler, Assistant Secretary

The undersigned, a Notary Public of the State of New York, hereby certifies that the within *Chattel Mortgage* has been compared by the undersigned with the original and found to be a true and complete copy, identical in all respects, to the original document.

Nathan F. Fenno

Notary Public

NATHAN F. FENNO
NOTARY PUBLIC IN THE STATE OF NEW YORK
QUALIFIED IN ST. LAWRENCE COUNTY NO. 478656
MY COMMISSION EXPIRES MAR. 30, 1989